

FISCAL NOTE

SB 3417 - HB 3020

March 28, 2006

SUMMARY OF BILL: Requires the TennCare program to provide prescription drugs or their less costly over-the-counter equivalents, without numerical limits. The Comptroller is required to submit a report on the number of persons receiving drugs, the cost of the drugs and the estimated savings because of the dispensing of such drugs.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$41,692,300
\$250,000 One-Time

Other Fiscal Impact – Increase Federal Expenditures - \$98,124,400

Assumptions:

- The TennCare drug prescription program will return to an unlimited coverage of prescription drugs or their over-the-counter equivalent.
- There will be an increase in expenditures estimated at \$139,816,700 (\$41,692,300 in state funds and \$98,124,400 in federal funds) based on FY 06 annualized budget numbers and a 7% inflation rate.
- The Comptroller will incur an increase in one-time state expenditures of \$250,000 to contract with an actuarial firm to report on the persons receiving the drugs, the cost of the drugs, and the estimated savings because of the dispensing of such drugs.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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